

AN ACT

relating to certain health-related and other task forces and advisory committees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. CHANGES TO ENTITIES EFFECTIVE SEPTEMBER 1, 2015

SECTION 1.01. (a) The Interagency Task Force on Electronic Benefits Transfers is abolished.

(b) Section 531.045, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.02. (a) The Medicaid and Public Assistance Fraud Oversight Task Force is abolished.

(b) Section 22.028(c), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) No later than the first day of each month, the commission shall send the comptroller a report listing the accounts on which enforcement actions or other steps were taken by the commission in response to the records received from the EBT operator under this section, and the action taken by the commission. The comptroller shall promptly review the report and, as appropriate, may solicit the advice of the office of the inspector general [~~Medicaid and Public Assistance Fraud Oversight Task Force~~] regarding the results of the commission's enforcement

actions.

(c) Section 531.107, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.03. (a) The Advisory Committee on Inpatient Mental Health Services is abolished.

(b) Section 571.027, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.04. (a) The Interagency Inspection Task Force is abolished.

(b) Section 42.0442(c), Human Resources Code, is amended to read as follows:

(c) ~~[The interagency task force shall establish an inspection checklist based on the inspection protocol developed under Subsection (b).]~~ Each state agency that inspects a facility listed in Subsection (a) shall use an ~~[the]~~ inspection checklist established by the department in performing an inspection. A state agency shall make a copy of the completed inspection checklist available to the facility at the facility's request to assist the facility in maintaining records.

(c) Section 42.0442(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.05. (a) The local authority network advisory committee is abolished.

(b) Section 533.0359(a), Health and Safety Code, is amended

to read as follows:

(a) In developing rules governing local mental health authorities under Sections 533.035, ~~[533.0351,]~~ 533.03521, 533.0357, and 533.0358, the executive commissioner shall use rulemaking procedures under Subchapter B, Chapter 2001, Government Code.

(c) Section 533.0351, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.06. (a) The Worksite Wellness Advisory Board is abolished.

(b) Section 664.052, Government Code, is amended to read as follows:

Sec. 664.052. RULES. The executive commissioner shall adopt rules for the administration of this subchapter~~[, including rules prescribing the frequency and location of board meetings]~~.

(c) Section 664.058, Government Code, is amended to read as follows:

Sec. 664.058. DONATIONS. The department ~~[board]~~ may receive in-kind and monetary gifts, grants, and donations from public and private donors to be used for the purposes of this subchapter.

(d) Section 664.061(a), Government Code, is amended to read as follows:

(a) A state agency may:

(1) allow each employee 30 minutes during normal working hours for exercise three times each week;

(2) allow all employees to attend on-site wellness seminars when offered;

(3) provide eight hours of additional leave time each year to an employee who:

(A) receives a physical examination; and

(B) completes either an online health risk assessment tool provided by the department [~~board~~] or a similar health risk assessment conducted in person by a worksite wellness coordinator;

(4) provide financial incentives, notwithstanding Section 2113.201, for participation in a wellness program developed under Section 664.053(e) after the agency establishes a written policy with objective criteria for providing the incentives;

(5) offer on-site clinic or pharmacy services in accordance with Subtitles B and J, Title 3, Occupations Code, including the requirements regarding delegation of certain medical acts under Chapter 157, Occupations Code; and

(6) adopt additional wellness policies, as determined by the agency.

(e) Sections 664.051(1), 664.054, 664.055, 664.056, 664.057, 664.059, and 664.060(c) and (f), Government Code, are repealed.

SECTION 1.07. (a) The Sickle Cell Advisory Committee is abolished.

(b) Section 33.052, Health and Safety Code, is amended to read as follows:

Sec. 33.052. DUTIES OF DEPARTMENT. The department shall[+]

1 ~~[(1)]~~ identify efforts related to the expansion and
2 coordination of education, treatment, and continuity of care
3 programs for individuals with sickle cell trait and sickle cell
4 disease[+]

5 ~~[(2) assist the advisory committee created under~~
6 ~~Section 33.053, and~~

7 ~~[(3) provide the advisory committee created under~~
8 ~~Section 33.053 with staff support necessary for the advisory~~
9 ~~committee to fulfill its duties].~~

10 (c) Section 33.053, Health and Safety Code, is repealed.

11 SECTION 1.08. (a) The Arthritis Advisory Committee is
12 abolished.

13 (b) Section 97.007, Health and Safety Code, is repealed.

14 SECTION 1.09. (a) The Advisory Panel on Health
15 Care-Associated Infections and Preventable Adverse Events is
16 abolished.

17 (b) Section 536.002(b), Government Code, is amended to read
18 as follows:

19 (b) The executive commissioner shall appoint the members of
20 the advisory committee. The committee must consist of physicians
21 and other health care providers, representatives of health care
22 facilities, representatives of managed care organizations, and
23 other stakeholders interested in health care services provided in
24 this state, including:

25 (1) at least one member who is a physician with
26 clinical practice experience in obstetrics and gynecology;

27 (2) at least one member who is a physician with

1 clinical practice experience in pediatrics;

2 (3) at least one member who is a physician with
3 clinical practice experience in internal medicine or family
4 medicine;

5 (4) at least one member who is a physician with
6 clinical practice experience in geriatric medicine;

7 (5) at least three members who are or who represent a
8 health care provider that primarily provides long-term services and
9 supports; and

10 (6) at least one member who is a consumer
11 representative[; ~~and~~

12 [~~(7) at least one member who is a member of the~~
13 ~~Advisory Panel on Health Care-Associated Infections and~~
14 ~~Preventable Adverse Events who meets the qualifications prescribed~~
15 ~~by Section 98.052(a)(4), Health and Safety Code].~~

16 (c) The heading to Subchapter C, Chapter 98, Health and
17 Safety Code, is amended to read as follows:

18 SUBCHAPTER C. DUTIES OF DEPARTMENT [~~AND ADVISORY PANEL~~]; REPORTING
19 SYSTEM

20 (d) Section 98.1045(b), Health and Safety Code, is amended
21 to read as follows:

22 (b) The executive commissioner may exclude an adverse event
23 described by Subsection (a)(2) from the reporting requirement of
24 Subsection (a) if the executive commissioner[~~, in consultation with~~
25 ~~the advisory panel,~~] determines that the adverse event is not an
26 appropriate indicator of a preventable adverse event.

27 (e) Section 98.105, Health and Safety Code, is amended to

1 read as follows:

2 Sec. 98.105. REPORTING SYSTEM MODIFICATIONS. The [~~Based on~~
3 ~~the recommendations of the advisory panel, the~~] executive
4 commissioner by rule may modify in accordance with this chapter the
5 list of procedures that are reportable under Section 98.103. The
6 modifications must be based on changes in reporting guidelines and
7 in definitions established by the federal Centers for Disease
8 Control and Prevention.

9 (f) Section 98.106(c), Health and Safety Code, is amended to
10 read as follows:

11 (c) The [~~In consultation with the advisory panel, the~~]
12 department shall publish the departmental summary in a format that
13 is easy to read.

14 (g) Section 98.108(a), Health and Safety Code, is amended to
15 read as follows:

16 (a) The [~~In consultation with the advisory panel, the~~]
17 executive commissioner by rule shall establish the frequency of
18 reporting by health care facilities required under Sections 98.103
19 and 98.1045.

20 (h) The following provisions are repealed:

21 (1) Sections 98.001(1) and 98.002, Health and Safety
22 Code; and

23 (2) Subchapter B, Chapter 98, Health and Safety Code.

24 SECTION 1.10. (a) The Youth Camp Training Advisory
25 Committee is abolished.

26 (b) Section 141.0095(d), Health and Safety Code, as amended
27 by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is

1 amended to read as follows:

2 (d) In accordance with this section [~~and the criteria and~~
3 ~~guidelines developed by the training advisory committee~~
4 ~~established under Section 141.0096~~], the executive commissioner by
5 rule shall establish criteria and guidelines for training and
6 examination programs on sexual abuse and child molestation. The
7 department may approve training and examination programs offered by
8 trainers under contract with youth camps or by online training
9 organizations or may approve programs offered in another format
10 authorized by the department.

11 (c) Section 141.0096, Health and Safety Code, as amended by
12 S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is
13 repealed.

14 SECTION 1.11. (a) The Drug Demand Reduction Advisory
15 Committee is abolished.

16 (b) Subchapter F, Chapter 461A, Health and Safety Code, as
17 added by S.B. No. 219, Acts of the 84th Legislature, Regular
18 Session, 2015, is repealed.

19 (c) Section 7.030, Education Code, is repealed.

20 SECTION 1.12. (a) The Texas Medical Child Abuse Resources
21 and Education System (MEDCARES) Advisory Committee is abolished.

22 (b) Section 1001.155, Health and Safety Code, as added by
23 Chapter 1238 (S.B. 2080), Acts of the 81st Legislature, Regular
24 Session, 2009, is reenacted and amended to read as follows:

25 Sec. 1001.155. REQUIRED REPORT. Not later than December 1
26 of each even-numbered year, the department [~~, with the assistance of~~
27 ~~the advisory committee established under this subchapter,~~] shall

1 submit a report to the governor and the legislature regarding the
2 grant activities of the program and grant recipients, including the
3 results and outcomes of grants provided under this subchapter.

4 (c) Section 1001.153, Health and Safety Code, as added by
5 Chapter 1238 (S.B. 2080), Acts of the 81st Legislature, Regular
6 Session, 2009, is repealed.

7 SECTION 1.13. Section 40.030, Human Resources Code, is
8 amended to read as follows:

9 Sec. 40.030. ADVISORY COMMITTEES. (a) The executive
10 commissioner or the executive commissioner's designee may appoint
11 advisory committees in accordance with Chapter 2110, Government
12 Code.

13 (b) The executive commissioner shall adopt rules, in
14 compliance with Chapter 2110, Government Code, regarding the
15 purpose, structure, and use of advisory committees by the
16 department. The rules may include provisions governing:

17 (1) an advisory committee's size and quorum
18 requirements;

19 (2) qualifications for membership of an advisory
20 committee, including:

21 (A) requirements relating to experience and
22 geographic representation; and

23 (B) requirements for the department to include as
24 members of advisory committees youth who have aged out of foster
25 care and parents who have successfully completed family service
26 plans and whose children were returned to the parents, as
27 applicable;

- (3) appointment procedures for an advisory committee;
- (4) terms for advisory committee members; and
- (5) compliance with Chapter 551, Government Code.

SECTION 1.14. (a) The Texas Institute of Health Care Quality and Efficiency is abolished.

(b) Section 98.1046(a), Health and Safety Code, is amended to read as follows:

(a) The ~~[In consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, the]~~ department, using data submitted under Chapter 108, shall publicly report for hospitals in this state risk-adjusted outcome rates for those potentially preventable complications and potentially preventable readmissions that the department~~[, in consultation with the institute,]~~ has determined to be the most effective measures of quality and efficiency.

(c) Section 98.1047(a), Health and Safety Code, is amended to read as follows:

(a) The ~~[In consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, the]~~ department shall study which adverse health conditions commonly occur in long-term care facilities and, of those health conditions, which are potentially preventable.

(d) Section 98.1065, Health and Safety Code, is amended to read as follows:

Sec. 98.1065. STUDY OF INCENTIVES AND RECOGNITION FOR HEALTH CARE QUALITY. The department~~[, in consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter~~

1 ~~1002,~~] shall conduct a study on developing a recognition program to
2 recognize exemplary health care facilities for superior quality of
3 health care and make recommendations based on that study.

4 (e) The following provisions are repealed:

5 (1) Chapter 1002, Health and Safety Code, as amended
6 by S.B. No. 219, Acts of the 84th Legislature, Regular Session,
7 2015; and

8 (2) Section 848.001(7), Insurance Code.

9 SECTION 1.15. (a) The stakeholder workgroup established
10 in connection with the jail-based restoration of competency pilot
11 program is abolished.

12 (b) Article 46B.073(e), Code of Criminal Procedure, is
13 amended to read as follows:

14 (e) Notwithstanding Subsections (b), (c), and (d) and
15 notwithstanding the contents of the applicable order of commitment,
16 in a county in which the department operates a jail-based
17 restoration of competency pilot program under Article 46B.090, a
18 defendant for whom an order is issued under this article committing
19 the defendant to a mental health facility or residential care
20 facility shall be provided competency restoration services at the
21 jail under the pilot program if the service provider at the jail
22 determines the defendant will immediately begin to receive
23 services. If the service provider at the jail determines the
24 defendant will not immediately begin to receive competency
25 restoration services, the defendant shall be transferred to the
26 appropriate mental health facility or residential care facility as
27 provided by the court order. This subsection expires September 1,

1 2019 [2017].

2 (c) Subsections (c) and (o), Article 46B.090, Code of
3 Criminal Procedure, are amended to read as follows:

4 (c) Not later than November 1, 2013, the commissioner of the
5 department[~~, in consultation with a stakeholder workgroup~~
6 ~~established by the department as provided by Subsection (d),~~] shall
7 adopt rules as necessary to implement the pilot program. In
8 adopting rules under this article, the commissioner shall specify
9 the types of information the department must collect during the
10 operation of the pilot program for use in evaluating the outcome of
11 the pilot program.

12 (o) This article expires September 1, 2019 [2017].

13 (d) Subsections (d) and (e), Article 46B.090, Code of
14 Criminal Procedure, are repealed.

15 ARTICLE 2. CHANGES TO ENTITIES EFFECTIVE JANUARY 1, 2016

16 SECTION 2.01. Section 262.353(d), Family Code, is amended
17 to read as follows:

18 (d) Not later than September 30, 2014, the department and
19 the Department of State Health Services shall file a report with the
20 legislature [~~and the Council on Children and Families~~] on the
21 results of the study required by Subsection (a). The report must
22 include:

23 (1) each option to prevent relinquishment of parental
24 custody that was considered during the study;

25 (2) each option recommended for implementation, if
26 any;

27 (3) each option that is implemented using existing

resources;

(4) any policy or statutory change needed to implement a recommended option;

(5) the fiscal impact of implementing each option, if any;

(6) the estimated number of children and families that may be affected by the implementation of each option; and

(7) any other significant information relating to the study.

SECTION 2.02. (a) Section 531.012, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.012. ADVISORY COMMITTEES. (a) The executive commissioner shall establish and maintain ~~[may appoint]~~ advisory committees to consider issues and solicit public input across all major areas of the health and human services system, including relating to the following issues:

(1) Medicaid and other social services programs;

(2) managed care under Medicaid and the child health plan program;

(3) health care quality initiatives;

(4) aging;

(5) persons with disabilities, including persons with autism;

(6) rehabilitation, including for persons with brain injuries;

(7) children;

- (8) public health;
- (9) behavioral health;
- (10) regulatory matters;
- (11) protective services; and
- (12) prevention efforts.

(b) Chapter 2110 applies to an advisory committee established under this section.

(c) The executive commissioner shall adopt rules:

(1) in compliance with Chapter 2110 to govern an advisory committee's purpose, tasks, reporting requirements, and date of abolition; and

(2) related to an advisory committee's:

(A) size and quorum requirements;

(B) membership, including:

(i) qualifications to be a member, including any experience requirements;

(ii) required geographic representation;

(iii) appointment procedures; and

(iv) terms of members; and

(C) duty to comply with the requirements for open meetings under Chapter 551.

(d) An advisory committee established under this section shall:

(1) report any recommendations to the executive commissioner; and

(2) submit a written report to the legislature of any policy recommendations made to the executive commissioner under

1 Subdivision (1) [as needed].

2 (b) Not later than March 1, 2016, the executive commissioner
3 of the Health and Human Services Commission shall adopt rules under
4 Section 531.012, Government Code, as amended by this article. This
5 subsection takes effect September 1, 2015.

6 SECTION 2.03. Subchapter A, Chapter 531, Government Code,
7 is amended by adding Section 531.0121 to read as follows:

8 Sec. 531.0121. PUBLIC ACCESS TO ADVISORY COMMITTEE
9 MEETINGS. (a) This section applies to an advisory committee
10 established under Section 531.012.

11 (b) The commission shall create a master calendar that
12 includes all advisory committee meetings across the health and
13 human services system.

14 (c) The commission shall make available on the commission's
15 Internet website:

- 16 (1) the master calendar;
17 (2) all meeting materials for an advisory committee
18 meeting; and
19 (3) streaming live video of each advisory committee
20 meeting.

21 (d) The commission shall provide Internet access in each
22 room used for a meeting that appears on the master calendar.

23 SECTION 2.04. Section 531.0216(b), Government Code, is
24 amended to read as follows:

25 (b) In developing the system, the executive commissioner by
26 rule shall:

- 27 (1) review programs and pilot projects in other states

1 to determine the most effective method for reimbursement;

2 (2) establish billing codes and a fee schedule for
3 services;

4 (3) provide for an approval process before a provider
5 can receive reimbursement for services;

6 (4) consult with the Department of State Health
7 Services [~~and the telemedicine and telehealth advisory committee~~]
8 to establish procedures to:

9 (A) identify clinical evidence supporting
10 delivery of health care services using a telecommunications system;
11 and

12 (B) annually review health care services,
13 considering new clinical findings, to determine whether
14 reimbursement for particular services should be denied or
15 authorized;

16 (5) establish a separate provider identifier for
17 telemedicine medical services providers, telehealth services
18 providers, and home telemonitoring services providers; and

19 (6) establish a separate modifier for telemedicine
20 medical services, telehealth services, and home telemonitoring
21 services eligible for reimbursement.

22 SECTION 2.05. Section [531.02441\(j\)](#), Government Code, is
23 amended to read as follows:

24 (j) The task force is abolished and this [~~This~~] section
25 expires September 1, 2017.

26 SECTION 2.06. Section [531.051\(c\)](#), Government Code, as
27 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,

2015, is amended to read as follows:

(c) In adopting rules for the consumer direction models, the executive commissioner shall:

(1) ~~[with assistance from the work group established under Section 531.052,~~] determine which services are appropriate and suitable for delivery through consumer direction;

(2) ensure that each consumer direction model is designed to comply with applicable federal and state laws;

(3) maintain procedures to ensure that a potential consumer or the consumer's legally authorized representative has adequate and appropriate information, including the responsibilities of a consumer or representative under each service delivery option, to make an informed choice among the types of consumer direction models;

(4) require each consumer or the consumer's legally authorized representative to sign a statement acknowledging receipt of the information required by Subdivision (3);

(5) maintain procedures to monitor delivery of services through consumer direction to ensure:

(A) adherence to existing applicable program standards;

(B) appropriate use of funds; and

(C) consumer satisfaction with the delivery of services;

(6) ensure that authorized program services that are not being delivered to a consumer through consumer direction are provided by a provider agency chosen by the consumer or the

1 consumer's legally authorized representative; and

2 (7) ~~[work in conjunction with the work group~~
3 ~~established under Section 531.052 to]~~ set a timetable to complete
4 the implementation of the consumer direction models.

5 SECTION 2.07. Section 531.067, Government Code, as amended
6 by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is
7 amended to read as follows:

8 Sec. 531.067. PROGRAM TO IMPROVE AND MONITOR CERTAIN
9 OUTCOMES OF RECIPIENTS UNDER CHILD HEALTH PLAN PROGRAM AND MEDICAID

10 ~~[PUBLIC ASSISTANCE HEALTH BENEFIT REVIEW AND DESIGN COMMITTEE].~~

11 ~~The [(a) The commission shall appoint a Public Assistance Health~~
12 ~~Benefit Review and Design Committee. The committee consists of~~
13 ~~nine representatives of health care providers participating in~~
14 ~~Medicaid or the child health plan program, or both. The committee~~
15 ~~membership must include at least three representatives from each~~
16 ~~program.~~

17 ~~[(b) The executive commissioner shall designate one member~~
18 ~~to serve as presiding officer for a term of two years.~~

19 ~~[(c) The committee shall meet at the call of the presiding~~
20 ~~officer.~~

21 ~~[(d) The committee shall review and provide recommendations~~
22 ~~to the commission regarding health benefits and coverages provided~~
23 ~~under Medicaid, the child health plan program, and any other~~
24 ~~income-based health care program administered by the commission or~~
25 ~~a health and human services agency. In performing its duties under~~
26 ~~this subsection, the committee must:~~

27 ~~[(1) review benefits provided under each of the~~

1 ~~programs; and~~

2 ~~[(2) review procedures for addressing high~~
3 ~~utilization of benefits by recipients.]~~

4 ~~[(c) The commission shall provide administrative support~~
5 ~~and resources as necessary for the committee to perform its duties~~
6 ~~under this section.]~~

7 ~~[(f) Section 2110.008 does not apply to the committee.]~~

8 ~~[(g) In performing the duties under this section, the]~~
9 commission may design and implement a program to improve and
10 monitor clinical and functional outcomes of a recipient of services
11 under Medicaid or the state child health plan program. The program
12 may use financial, clinical, and other criteria based on pharmacy,
13 medical services, and other claims data related to Medicaid or the
14 child health plan program. ~~[The commission must report to the~~
15 ~~committee on the fiscal impact, including any savings associated~~
16 ~~with the strategies utilized under this section.]~~

17 SECTION 2.08. (a) Section 531.0691, Government Code, as
18 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
19 2015, is redesignated as Section 531.0735, Government Code, to read
20 as follows:

21 Sec. 531.0735 ~~[531.0691]~~. MEDICAID DRUG UTILIZATION REVIEW
22 PROGRAM: DRUG USE REVIEWS AND ANNUAL REPORT. (a) In this section:

23 (1) "Medicaid Drug Utilization Review Program" means
24 the program operated by the vendor drug program to improve the
25 quality of pharmaceutical care under Medicaid.

26 (2) "Prospective drug use review" means the review of
27 a patient's drug therapy and prescription drug order or medication

1 order before dispensing or distributing a drug to the patient.

2 (3) "Retrospective drug use review" means the review
3 of prescription drug claims data to identify patterns of
4 prescribing.

5 (b) The commission shall provide for an increase in the
6 number and types of retrospective drug use reviews performed each
7 year under the Medicaid Drug Utilization Review Program, in
8 comparison to the number and types of reviews performed in the state
9 fiscal year ending August 31, 2009.

10 (c) In determining the number and types of drug use reviews
11 to be performed, the commission shall:

12 (1) allow for the repeat of retrospective drug use
13 reviews that address ongoing drug therapy problems and that, in
14 previous years, improved client outcomes and reduced Medicaid
15 spending;

16 (2) consider implementing disease-specific
17 retrospective drug use reviews that address ongoing drug therapy
18 problems in this state and that reduced Medicaid prescription drug
19 use expenditures in other states; and

20 (3) regularly examine Medicaid prescription drug
21 claims data to identify occurrences of potential drug therapy
22 problems that may be addressed by repeating successful
23 retrospective drug use reviews performed in this state and other
24 states.

25 (d) In addition to any other information required by federal
26 law, the commission shall include the following information in the
27 annual report regarding the Medicaid Drug Utilization Review

1 Program:

2 (1) a detailed description of the program's
3 activities; and

4 (2) estimates of cost savings anticipated to result
5 from the program's performance of prospective and retrospective
6 drug use reviews.

7 (e) The cost-saving estimates for prospective drug use
8 reviews under Subsection (d) must include savings attributed to
9 drug use reviews performed through the vendor drug program's
10 electronic claims processing system and clinical edits screened
11 through the prior authorization system implemented under Section
12 [531.073](#).

13 (f) The commission shall post the annual report regarding
14 the Medicaid Drug Utilization Review Program on the commission's
15 website.

16 (b) Subchapter B, Chapter 531, Government Code, is amended
17 by adding Section 531.0736 to read as follows:

18 Sec. 531.0736. DRUG UTILIZATION REVIEW BOARD. (a) In this
19 section, "board" means the Drug Utilization Review Board.

20 (b) In addition to performing any other duties required by
21 federal law, the board shall:

22 (1) develop and submit to the commission
23 recommendations for preferred drug lists adopted by the commission
24 under Section [531.072](#);

25 (2) suggest to the commission restrictions or clinical
26 edits on prescription drugs;

27 (3) recommend to the commission educational

interventions for Medicaid providers;

(4) review drug utilization across Medicaid; and

(5) perform other duties that may be specified by law and otherwise make recommendations to the commission.

(c) The executive commissioner shall determine the composition of the board, which must:

(1) comply with applicable federal law, including 42 C.F.R. Section 456.716;

(2) include two representatives of managed care organizations as nonvoting members, one of whom must be a physician and one of whom must be a pharmacist;

(3) include at least 17 physicians and pharmacists who:

(A) provide services across the entire population of Medicaid recipients and represent different specialties, including at least one of each of the following types of physicians:

(i) a pediatrician;

(ii) a primary care physician;

(iii) an obstetrician and gynecologist;

(iv) a child and adolescent psychiatrist;

and

(v) an adult psychiatrist; and

(B) have experience in either developing or practicing under a preferred drug list; and

(4) include a consumer advocate who represents Medicaid recipients.

1 (c-1) The executive commissioner by rule shall develop and
2 implement a process by which a person may apply to become a member
3 of the board and shall post the application and information
4 regarding the application process on the commission's Internet
5 website.

6 (d) Members appointed under Subsection (c)(2) may attend
7 quarterly and other regularly scheduled meetings, but may not:

8 (1) attend executive sessions; or

9 (2) access confidential drug pricing information.

10 (e) Members of the board serve staggered four-year terms.

11 (f) The voting members of the board shall elect from among
12 the voting members a presiding officer. The presiding officer must
13 be a physician.

14 (g) The board shall hold a public meeting quarterly at the
15 call of the presiding officer and shall permit public comment
16 before voting on any changes in the preferred drug lists, the
17 adoption of or changes to drug use criteria, or the adoption of
18 prior authorization or drug utilization review proposals. The
19 board shall hold public meetings at other times at the call of the
20 presiding officer. Minutes of each meeting shall be made available
21 to the public not later than the 10th business day after the date
22 the minutes are approved. The board may meet in executive session
23 to discuss confidential information as described by Subsection (i).

24 (h) In developing its recommendations for the preferred
25 drug lists, the board shall consider the clinical efficacy, safety,
26 and cost-effectiveness of and any program benefit associated with a
27 product.

1 (i) The executive commissioner shall adopt rules governing
2 the operation of the board, including rules governing the
3 procedures used by the board for providing notice of a meeting and
4 rules prohibiting the board from discussing confidential
5 information described by Section 531.071 in a public meeting. The
6 board shall comply with the rules adopted under this subsection and
7 Subsection (j).

8 (j) In addition to the rules under Subsection (i), the
9 executive commissioner by rule shall require the board or the
10 board's designee to present a summary of any clinical efficacy and
11 safety information or analyses regarding a drug under consideration
12 for a preferred drug list that is provided to the board by a private
13 entity that has contracted with the commission to provide the
14 information. The board or the board's designee shall provide the
15 summary in electronic form before the public meeting at which
16 consideration of the drug occurs. Confidential information
17 described by Section 531.071 must be omitted from the summary. The
18 summary must be posted on the commission's Internet website.

19 (k) To the extent feasible, the board shall review all drug
20 classes included in the preferred drug lists adopted under Section
21 531.072 at least once every 12 months and may recommend inclusions
22 to and exclusions from the lists to ensure that the lists provide
23 for a range of clinically effective, safe, cost-effective, and
24 medically appropriate drug therapies for the diverse segments of
25 the Medicaid population, children receiving health benefits
26 coverage under the child health plan program, and any other
27 affected individuals.

1 (1) The commission shall provide administrative support and
2 resources as necessary for the board to perform its duties.

3 (m) Chapter 2110 does not apply to the board.

4 (n) The commission or the commission's agent shall publicly
5 disclose, immediately after the board's deliberations conclude,
6 each specific drug recommended for or against preferred drug list
7 status for each drug class included in the preferred drug list for
8 the Medicaid vendor drug program. The disclosure must be posted on
9 the commission's Internet website not later than the 10th business
10 day after the date of conclusion of board deliberations that result
11 in recommendations made to the executive commissioner regarding the
12 placement of drugs on the preferred drug list. The public
13 disclosure must include:

14 (1) the general basis for the recommendation for each
15 drug class; and

16 (2) for each recommendation, whether a supplemental
17 rebate agreement or a program benefit agreement was reached under
18 Section 531.070.

19 (c) Section 531.0692, Government Code, is redesignated as
20 Section 531.0737, Government Code, and amended to read as follows:

21 Sec. 531.0737 [~~531.0692~~]. [~~MEDICAID~~] DRUG UTILIZATION
22 REVIEW BOARD: CONFLICTS OF INTEREST. (a) A voting member of the
23 [~~board of the Medicaid~~] Drug Utilization Review Board [~~Program~~] may
24 not have a contractual relationship, ownership interest, or other
25 conflict of interest with a pharmaceutical manufacturer or labeler
26 or with an entity engaged by the commission to assist in the
27 development of the preferred drug lists or in the administration of

1 the Medicaid Drug Utilization Review Program.

2 (b) The executive commissioner may implement this section
3 by adopting rules that identify prohibited relationships and
4 conflicts or requiring the board to develop a conflict-of-interest
5 policy that applies to the board.

6 (d) Sections 531.072(c) and (e), Government Code, are
7 amended to read as follows:

8 (c) In making a decision regarding the placement of a drug
9 on each of the preferred drug lists, the commission shall consider:

10 (1) the recommendations of the Drug Utilization Review
11 Board [~~Pharmaceutical and Therapeutics Committee established~~]
12 under Section 531.0736 [~~531.074~~];

13 (2) the clinical efficacy of the drug;

14 (3) the price of competing drugs after deducting any
15 federal and state rebate amounts; and

16 (4) program benefit offerings solely or in conjunction
17 with rebates and other pricing information.

18 (e) In this subsection, "labeler" and "manufacturer" have
19 the meanings assigned by Section 531.070. The commission shall
20 ensure that:

21 (1) a manufacturer or labeler may submit written
22 evidence supporting the inclusion of a drug on the preferred drug
23 lists before a supplemental agreement is reached with the
24 commission; and

25 (2) any drug that has been approved or has had any of
26 its particular uses approved by the United States Food and Drug
27 Administration under a priority review classification will be

reviewed by the Drug Utilization Review Board [~~Pharmaceutical and Therapeutics Committee~~] at the next regularly scheduled meeting of the board [~~committee~~]. On receiving notice from a manufacturer or labeler of the availability of a new product, the commission, to the extent possible, shall schedule a review for the product at the next regularly scheduled meeting of the board [~~committee~~].

(e) Section 531.073(b), Government Code, is amended to read as follows:

(b) The commission shall establish procedures for the prior authorization requirement under the Medicaid vendor drug program to ensure that the requirements of 42 U.S.C. Section 1396r-8(d)(5) and its subsequent amendments are met. Specifically, the procedures must ensure that:

(1) a prior authorization requirement is not imposed for a drug before the drug has been considered at a meeting of the Drug Utilization Review Board [~~Pharmaceutical and Therapeutics Committee established~~] under Section 531.0736 [~~531.074~~];

(2) there will be a response to a request for prior authorization by telephone or other telecommunications device within 24 hours after receipt of a request for prior authorization; and

(3) a 72-hour supply of the drug prescribed will be provided in an emergency or if the commission does not provide a response within the time required by Subdivision (2).

(f) Section 531.0741, Government Code, is amended to read as follows:

Sec. 531.0741. PUBLICATION OF INFORMATION REGARDING

1 COMMISSION DECISIONS ON PREFERRED DRUG LIST PLACEMENT. The
2 commission shall publish on the commission's Internet website any
3 decisions on preferred drug list placement, including:

4 (1) a list of drugs reviewed and the commission's
5 decision for or against placement on a preferred drug list of each
6 drug reviewed;

7 (2) for each recommendation, whether a supplemental
8 rebate agreement or a program benefit agreement was reached under
9 Section 531.070; and

10 (3) the rationale for any departure from a
11 recommendation of the Drug Utilization Review Board
12 [~~pharmaceutical and therapeutics committee established~~] under
13 Section 531.0736 [~~531.074~~].

14 (g) Section 531.074, Government Code, as amended by S.B.
15 219, Acts of the 84th Legislature, Regular Session, 2015, is
16 repealed.

17 (h) The term of a member serving on the Medicaid Drug
18 Utilization Review Board on January 1, 2016, expires on February
19 29, 2016. Not later than March 1, 2016, the executive commissioner
20 of the Health and Human Services Commission shall appoint the
21 initial members to the Drug Utilization Review Board in accordance
22 with Section 531.0736, Government Code, as added by this article,
23 for terms beginning March 1, 2016. In making the initial
24 appointments and notwithstanding Section 531.0736(e), Government
25 Code, as added by this article, the executive commissioner shall
26 designate as close to one-half as possible of the members to serve
27 for terms expiring March 1, 2018, and the remaining members to serve

for terms expiring March 1, 2020.

(i) Not later than February 1, 2016, and before making initial appointments to the Drug Utilization Review Board as provided by Subsection (h) of this section, the executive commissioner of the Health and Human Services Commission shall adopt and implement the application process required under Section 531.0736(c-1), Government Code, as added by this article.

(j) Not later than May 1, 2016, and except as provided by Subsection (i) of this section, the executive commissioner of the Health and Human Services Commission shall adopt or amend rules as necessary to reflect the changes in law made to the Drug Utilization Review Board under Section 531.0736, Government Code, as added by this article, including rules that reflect the changes to the board's functions and composition.

SECTION 2.09. The heading to Subchapter D, Chapter 531, Government Code, is amended to read as follows:

SUBCHAPTER D. PLAN TO SUPPORT GUARDIANSHIPS [~~GUARDIANSHIP ADVISORY BOARD~~]

SECTION 2.10. Section 531.124, Government Code, is amended to read as follows:

Sec. 531.124. COMMISSION DUTIES. The [~~(a) With the advice of the advisory board, the~~] commission shall develop and, subject to appropriations, implement a plan to:

(1) ensure that each incapacitated individual in this state who needs a guardianship or another less restrictive type of assistance to make decisions concerning the incapacitated individual's own welfare and financial affairs receives that

1 assistance; and

2 (2) foster the establishment and growth of local
3 volunteer guardianship programs.

4 ~~[(b) The advisory board shall biennially review and comment~~
5 ~~on the minimum standards adopted under Section 111.041 and the plan~~
6 ~~implemented under Subsection (a) and shall include its conclusions~~
7 ~~in the report submitted under Section 531.1235.]~~

8 SECTION 2.11. Section 531.907(a), Government Code, as
9 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
10 2015, is amended to read as follows:

11 (a) Based on ~~[the recommendations of the advisory committee~~
12 ~~established under Section 531.904 and]~~ feedback provided by
13 interested parties, the commission in stage two of implementing the
14 health information exchange system may expand the system by:

15 (1) providing an electronic health record for each
16 child enrolled in the child health plan program;

17 (2) including state laboratory results information in
18 an electronic health record, including the results of newborn
19 screenings and tests conducted under the Texas Health Steps
20 program, based on the system developed for the health passport
21 under Section 266.006, Family Code;

22 (3) improving data-gathering capabilities for an
23 electronic health record so that the record may include basic
24 health and clinical information in addition to available claims
25 information, as determined by the executive commissioner;

26 (4) using evidence-based technology tools to create a
27 unique health profile to alert health care providers regarding the

1 need for additional care, education, counseling, or health
2 management activities for specific patients; and

3 (5) continuing to enhance the electronic health record
4 created for each Medicaid recipient as technology becomes available
5 and interoperability capabilities improve.

6 SECTION 2.12. Section 531.909, Government Code, is amended
7 to read as follows:

8 Sec. 531.909. INCENTIVES. The commission [~~and the advisory~~
9 ~~committee established under Section 531.904~~] shall develop
10 strategies to encourage health care providers to use the health
11 information exchange system, including incentives, education, and
12 outreach tools to increase usage.

13 SECTION 2.13. Section 533.00251(c), Government Code, as
14 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
15 2015, is amended to read as follows:

16 (c) Subject to Section 533.0025 and notwithstanding any
17 other law, the commission[~~, in consultation with the advisory~~
18 ~~committee,~~] shall provide benefits under Medicaid to recipients who
19 reside in nursing facilities through the STAR + PLUS Medicaid
20 managed care program. In implementing this subsection, the
21 commission shall ensure:

22 (1) that the commission is responsible for setting the
23 minimum reimbursement rate paid to a nursing facility under the
24 managed care program, including the staff rate enhancement paid to
25 a nursing facility that qualifies for the enhancement;

26 (2) that a nursing facility is paid not later than the
27 10th day after the date the facility submits a clean claim;

1 (3) the appropriate utilization of services
2 consistent with criteria established by the commission;

3 (4) a reduction in the incidence of potentially
4 preventable events and unnecessary institutionalizations;

5 (5) that a managed care organization providing
6 services under the managed care program provides discharge
7 planning, transitional care, and other education programs to
8 physicians and hospitals regarding all available long-term care
9 settings;

10 (6) that a managed care organization providing
11 services under the managed care program:

12 (A) assists in collecting applied income from
13 recipients; and

14 (B) provides payment incentives to nursing
15 facility providers that reward reductions in preventable acute care
16 costs and encourage transformative efforts in the delivery of
17 nursing facility services, including efforts to promote a
18 resident-centered care culture through facility design and
19 services provided;

20 (7) the establishment of a portal that is in
21 compliance with state and federal regulations, including standard
22 coding requirements, through which nursing facility providers
23 participating in the STAR + PLUS Medicaid managed care program may
24 submit claims to any participating managed care organization;

25 (8) that rules and procedures relating to the
26 certification and decertification of nursing facility beds under
27 Medicaid are not affected; and

1 (9) that a managed care organization providing
2 services under the managed care program, to the greatest extent
3 possible, offers nursing facility providers access to:

4 (A) acute care professionals; and

5 (B) telemedicine, when feasible and in
6 accordance with state law, including rules adopted by the Texas
7 Medical Board.

8 SECTION 2.14. Section 533.00253, Government Code, is
9 amended by amending Subsection (b), as amended by S.B. 219, Acts of
10 the 84th Legislature, Regular Session, 2015, and Subsection (f) to
11 read as follows:

12 (b) Subject to Section 533.0025, the commission shall, in
13 consultation with the ~~[advisory committee and the]~~ Children's
14 Policy Council established under Section 22.035, Human Resources
15 Code, establish a mandatory STAR Kids capitated managed care
16 program tailored to provide Medicaid benefits to children with
17 disabilities. The managed care program developed under this
18 section must:

19 (1) provide Medicaid benefits that are customized to
20 meet the health care needs of recipients under the program through a
21 defined system of care;

22 (2) better coordinate care of recipients under the
23 program;

24 (3) improve the health outcomes of recipients;

25 (4) improve recipients' access to health care
26 services;

27 (5) achieve cost containment and cost efficiency;

1 (6) reduce the administrative complexity of
2 delivering Medicaid benefits;

3 (7) reduce the incidence of unnecessary
4 institutionalizations and potentially preventable events by
5 ensuring the availability of appropriate services and care
6 management;

7 (8) require a health home; and

8 (9) coordinate and collaborate with long-term care
9 service providers and long-term care management providers, if
10 recipients are receiving long-term services and supports outside of
11 the managed care organization.

12 (f) The commission shall seek ongoing input from the
13 Children's Policy Council regarding the establishment and
14 implementation of the STAR Kids managed care program. This
15 subsection expires on the date the Children's Policy Council is
16 abolished under Section 22.035(n), Human Resources Code.

17 SECTION 2.15. Section 533.00254(f), Government Code, is
18 amended to read as follows:

19 (f) On the first anniversary of the date the commission
20 completes implementation of the STAR Kids Medicaid managed care
21 program under Section 533.00253 [September 1, 2016]:

22 (1) the advisory committee is abolished; and

23 (2) this section expires.

24 SECTION 2.16. Section 533.00256(a), Government Code, is
25 amended to read as follows:

26 (a) In consultation with ~~[the Medicaid and CHIP~~
27 ~~Quality-Based Payment Advisory Committee established under Section~~

1 ~~536.002 and other~~] appropriate stakeholders with an interest in the
2 provision of acute care services and long-term services and
3 supports under the Medicaid managed care program, the commission
4 shall:

5 (1) establish a clinical improvement program to
6 identify goals designed to improve quality of care and care
7 management and to reduce potentially preventable events, as defined
8 by Section 536.001; and

9 (2) require managed care organizations to develop and
10 implement collaborative program improvement strategies to address
11 the goals.

12 SECTION 2.17. Section 534.053(g), Government Code, is
13 amended to read as follows:

14 (g) On the one-year anniversary of the date the commission
15 completes implementation of the transition required under Section
16 534.202 [January 1, 2024]:

17 (1) the advisory committee is abolished; and

18 (2) this section expires.

19 SECTION 2.18. Section 535.053, Government Code, is amended
20 by amending Subsection (a) and adding Subsection (a-1) to read as
21 follows:

22 (a) The interagency coordinating group for faith- and
23 community-based initiatives is composed of each faith- and
24 community-based liaison designated under Section 535.051 and a
25 liaison from the State Commission on National and Community
26 Service. ~~[The commission shall provide administrative support to~~
27 ~~the interagency coordinating group.]~~

(a-1) Service on the interagency coordinating group is an additional duty of the office or position held by each person designated as a liaison under Section 535.051(b). The state agencies described by Section 535.051(b) shall provide administrative support for the interagency coordinating group as coordinated by the presiding officer.

SECTION 2.19. Sections 535.055(a) and (b), Government Code, are amended to read as follows:

(a) The Texas Nonprofit Council is established to help direct the interagency coordinating group in carrying out the group's duties under this section. The state agencies of the interagency coordinating group described by Section 535.051(b) [commission] shall provide administrative support to the council as coordinated by the presiding officer of the interagency coordinating group.

(b) The governor ~~[executive commissioner]~~, in consultation with the presiding officer of the interagency coordinating group, shall appoint as members of the council two representatives from each of the following groups and entities to represent each group's and entity's appropriate sector:

- (1) statewide nonprofit organizations;
- (2) local governments;
- (3) faith-based groups, at least one of which must be a statewide interfaith group;
- (4) community-based groups;
- (5) consultants to nonprofit corporations; and
- (6) statewide associations of nonprofit

1 organizations.

2 SECTION 2.20. Section 535.104(a), Government Code, is
3 amended to read as follows:

4 (a) The commission shall:

5 (1) contract with the State Commission on National and
6 Community Service to administer funds appropriated from the account
7 in a manner that:

8 (A) consolidates the capacity of and strengthens
9 national service and community and faith- and community-based
10 initiatives; and

11 (B) leverages public and private funds to benefit
12 this state;

13 (2) develop a competitive process to be used in
14 awarding grants from account funds that is consistent with state
15 law and includes objective selection criteria;

16 (3) oversee the delivery of training and other
17 assistance activities under this subchapter;

18 (4) develop criteria limiting awards of grants under
19 Section 535.105(1)(A) to small and medium-sized faith- and
20 community-based organizations that provide charitable services to
21 persons in this state;

22 (5) establish general state priorities for the
23 account;

24 (6) establish and monitor performance and outcome
25 measures for persons to whom grants are awarded under this
26 subchapter; and

27 (7) establish policies and procedures to ensure that

1 any money appropriated from the account to the commission that is
2 allocated to build the capacity of a faith-based organization or
3 for a faith-based initiative[, ~~including money allocated for the~~
4 ~~establishment of the advisory committee under Section 535.108,~~] is
5 not used to advance a sectarian purpose or to engage in any form of
6 proselytization.

7 SECTION 2.21. Section 536.001(20), Government Code, is
8 amended to read as follows:

9 (20) "Potentially preventable readmission" means a
10 return hospitalization of a person within a period specified by the
11 commission that may have resulted from deficiencies in the care or
12 treatment provided to the person during a previous hospital stay or
13 from deficiencies in post-hospital discharge follow-up. The term
14 does not include a hospital readmission necessitated by the
15 occurrence of unrelated events after the discharge. The term
16 includes the readmission of a person to a hospital for:

17 (A) the same condition or procedure for which the
18 person was previously admitted;

19 (B) an infection or other complication resulting
20 from care previously provided;

21 (C) a condition or procedure that indicates that
22 a surgical intervention performed during a previous admission was
23 unsuccessful in achieving the anticipated outcome; or

24 (D) another condition or procedure of a similar
25 nature, as determined by the executive commissioner [~~after~~
26 ~~consulting with the advisory committee~~].

27 SECTION 2.22. Section 536.003(a), Government Code, as

1 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
2 2015, is amended to read as follows:

3 (a) The commission~~[, in consultation with the advisory~~
4 ~~committee,]~~ shall develop quality-based outcome and process
5 measures that promote the provision of efficient, quality health
6 care and that can be used in the child health plan program and
7 Medicaid to implement quality-based payments for acute care
8 services and long-term services and supports across all delivery
9 models and payment systems, including fee-for-service and managed
10 care payment systems. Subject to Subsection (a-1), the commission,
11 in developing outcome and process measures under this section, must
12 include measures that are based on potentially preventable events
13 and that advance quality improvement and innovation. The
14 commission may change measures developed:

15 (1) to promote continuous system reform, improved
16 quality, and reduced costs; and

17 (2) to account for managed care organizations added to
18 a service area.

19 SECTION 2.23. Section 536.004(a), Government Code, as
20 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
21 2015, is amended to read as follows:

22 (a) Using quality-based outcome and process measures
23 developed under Section 536.003 and subject to this section, the
24 commission, after consulting with ~~[the advisory committee and~~
25 ~~other]~~ appropriate stakeholders with an interest in the provision
26 of acute care and long-term services and supports under the child
27 health plan program and Medicaid, shall develop quality-based

1 payment systems, and require managed care organizations to develop
2 quality-based payment systems, for compensating a physician or
3 other health care provider participating in the child health plan
4 program or Medicaid that:

- 5 (1) align payment incentives with high-quality,
6 cost-effective health care;
- 7 (2) reward the use of evidence-based best practices;
- 8 (3) promote the coordination of health care;
- 9 (4) encourage appropriate physician and other health
10 care provider collaboration;
- 11 (5) promote effective health care delivery models; and
- 12 (6) take into account the specific needs of the child
13 health plan program enrollee and Medicaid recipient populations.

14 SECTION 2.24. Section 536.006(a), Government Code, is
15 amended to read as follows:

16 (a) The commission [~~and the advisory committee~~] shall:

17 (1) ensure transparency in the development and
18 establishment of:

19 (A) quality-based payment and reimbursement
20 systems under Section 536.004 and Subchapters B, C, and D,
21 including the development of outcome and process measures under
22 Section 536.003; and

23 (B) quality-based payment initiatives under
24 Subchapter E, including the development of quality of care and
25 cost-efficiency benchmarks under Section 536.204(a) and efficiency
26 performance standards under Section 536.204(b);

27 (2) develop guidelines establishing procedures for

1 providing notice and information to, and receiving input from,
2 managed care organizations, health care providers, including
3 physicians and experts in the various medical specialty fields, and
4 other stakeholders, as appropriate, for purposes of developing and
5 establishing the quality-based payment and reimbursement systems
6 and initiatives described under Subdivision (1);

7 (3) in developing and establishing the quality-based
8 payment and reimbursement systems and initiatives described under
9 Subdivision (1), consider that as the performance of a managed care
10 organization or physician or other health care provider improves
11 with respect to an outcome or process measure, quality of care and
12 cost-efficiency benchmark, or efficiency performance standard, as
13 applicable, there will be a diminishing rate of improved
14 performance over time; and

15 (4) develop web-based capability to provide managed
16 care organizations and health care providers with data on their
17 clinical and utilization performance, including comparisons to
18 peer organizations and providers located in this state and in the
19 provider's respective region.

20 SECTION 2.25. Section [536.052](#)(b), Government Code, is
21 amended to read as follows:

22 (b) The commission~~[, after consulting with the advisory~~
23 ~~committee]~~ shall develop quality of care and cost-efficiency
24 benchmarks, including benchmarks based on a managed care
25 organization's performance with respect to reducing potentially
26 preventable events and containing the growth rate of health care
27 costs.

SECTION 2.26. Section 536.102(a), Government Code, is amended to read as follows:

(a) Subject to this subchapter, the commission~~[, after consulting with the advisory committee,~~] may develop and implement quality-based payment systems for health homes designed to improve quality of care and reduce the provision of unnecessary medical services. A quality-based payment system developed under this section must:

(1) base payments made to a participating enrollee's health home on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the health home, and ensuring quality of care outcomes, including a reduction in potentially preventable events; and

(2) allow for the examination of measurable wellness and prevention criteria, use of evidence-based best practices, and quality of care outcomes based on the type of primary or specialty care provider practice.

SECTION 2.27. Section 536.152(a), Government Code, is amended to read as follows:

(a) Subject to Subsection (b), using the data collected under Section 536.151 and the diagnosis-related groups (DRG) methodology implemented under Section 536.005, if applicable, the commission~~[, after consulting with the advisory committee,~~] shall to the extent feasible adjust child health plan and Medicaid reimbursements to hospitals, including payments made under the

1 disproportionate share hospitals and upper payment limit
2 supplemental payment programs, based on the hospital's performance
3 with respect to exceeding, or failing to achieve, outcome and
4 process measures developed under Section 536.003 that address the
5 rates of potentially preventable readmissions and potentially
6 preventable complications.

7 SECTION 2.28. Section 536.202(a), Government Code, is
8 amended to read as follows:

9 (a) The commission shall~~[, after consulting with the~~
10 ~~advisory committee,~~] establish payment initiatives to test the
11 effectiveness of quality-based payment systems, alternative
12 payment methodologies, and high-quality, cost-effective health
13 care delivery models that provide incentives to physicians and
14 other health care providers to develop health care interventions
15 for child health plan program enrollees or Medicaid recipients, or
16 both, that will:

17 (1) improve the quality of health care provided to the
18 enrollees or recipients;

19 (2) reduce potentially preventable events;

20 (3) promote prevention and wellness;

21 (4) increase the use of evidence-based best practices;

22 (5) increase appropriate physician and other health
23 care provider collaboration;

24 (6) contain costs; and

25 (7) improve integration of acute care services and
26 long-term services and supports, including discharge planning from
27 acute care services to community-based long-term services and

1 supports.

2 SECTION 2.29. Section 536.204(a), Government Code, is
3 amended to read as follows:

4 (a) The executive commissioner shall~~+~~

5 ~~[(1) consult with the advisory committee to]~~ develop
6 quality of care and cost-efficiency benchmarks and measurable goals
7 that a payment initiative must meet to ensure high-quality and
8 cost-effective health care services and healthy outcomes~~[+and~~

9 ~~[(2) approve benchmarks and goals developed as~~
10 ~~provided by Subdivision (1)]~~.

11 SECTION 2.30. Section 536.251(a), Government Code, is
12 amended to read as follows:

13 (a) Subject to this subchapter, the commission, after
14 consulting with ~~[the advisory committee and other]~~ appropriate
15 stakeholders representing nursing facility providers with an
16 interest in the provision of long-term services and supports, may
17 develop and implement quality-based payment systems for Medicaid
18 long-term services and supports providers designed to improve
19 quality of care and reduce the provision of unnecessary services. A
20 quality-based payment system developed under this section must base
21 payments to providers on quality and efficiency measures that may
22 include measurable wellness and prevention criteria and use of
23 evidence-based best practices, sharing a portion of any realized
24 cost savings achieved by the provider, and ensuring quality of care
25 outcomes, including a reduction in potentially preventable events.

26 SECTION 2.31. Section 538.052(a), Government Code, as
27 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,

2015, is amended to read as follows:

(a) Subject to Subsection (b), the commission shall solicit and accept suggestions for clinical initiatives, in either written or electronic form, from:

- (1) a member of the state legislature;
- (2) the executive commissioner;
- (3) the commissioner of aging and disability services;
- (4) the commissioner of state health services;
- (5) the commissioner of the Department of Family and Protective Services;
- (6) the commissioner of assistive and rehabilitative services;
- (7) the medical care advisory committee established under Section 32.022, Human Resources Code; and
- (8) the physician payment advisory committee created under Section 32.022(d), Human Resources Code~~[, and~~
- ~~[(9) the Electronic Health Information Exchange System Advisory Committee established under Section 531.904].~~

SECTION 2.32. Section 22.035, Human Resources Code, is amended by adding Subsection (n) to read as follows:

(n) The work group is abolished and this section expires September 1, 2017.

SECTION 2.33. (a) Section 32.022(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) The executive commissioner shall appoint the committee in compliance with the requirements of the federal agency

administering medical assistance. The appointments shall:

(1) provide for a balanced representation of the general public, providers, consumers, and other persons, state agencies, or groups with knowledge of and interest in the committee's field of work; and

(2) include one member who is the representative of a managed care organization.

(b) Not later than January 1, 2016, the executive commissioner of the Health and Human Services Commission shall appoint an additional member to the medical care advisory committee in accordance with Section 32.022(b)(2), Human Resources Code, as added by this article.

SECTION 2.34. Section 32.0641(a), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) To the extent permitted under and in a manner that is consistent with Title XIX, Social Security Act (42 U.S.C. Section 1396 et seq.) and any other applicable law or regulation or under a federal waiver or other authorization, the executive commissioner shall adopt~~[, after consulting with the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002, Government Code,~~] cost-sharing provisions that encourage personal accountability and appropriate utilization of health care services, including a cost-sharing provision applicable to a recipient who chooses to receive a nonemergency medical service through a hospital emergency room.

SECTION 2.35. Section 1352.004(b), Insurance Code, is

amended to read as follows:

(b) The commissioner by rule shall require a health benefit plan issuer to provide adequate training to personnel responsible for preauthorization of coverage or utilization review under the plan. The purpose of the training is to prevent denial of coverage in violation of Section 1352.003 and to avoid confusion of medical benefits with mental health benefits. The commissioner~~[, in consultation with the Texas Traumatic Brain Injury Advisory Council,~~] shall prescribe by rule the basic requirements for the training described by this subsection.

SECTION 2.36. Section 1352.005(b), Insurance Code, is amended to read as follows:

(b) The commissioner~~[, in consultation with the Texas Traumatic Brain Injury Advisory Council,~~] shall prescribe by rule the specific contents and wording of the notice required under this section.

SECTION 2.37. (a) Section 162.309, Family Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

(b) The following provisions of the Government Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

- (1) Section 531.0217(j);
- (2) Section 531.02172;
- (3) Section 531.02173(c);
- (4) Section 531.052;
- (5) Section 531.0571;

- 1 (6) Section 531.068;
- 2 (7) Sections 531.121(1), (5), and (6);
- 3 (8) Section 531.122;
- 4 (9) Section 531.123;
- 5 (10) Section 531.1235;
- 6 (11) Subchapters R and T, Chapter 531;
- 7 (12) Section 531.904;
- 8 (13) Section 533.00251(a)(1);
- 9 (14) Section 533.00252;
- 10 (15) Sections 533.00255(e) and (f);
- 11 (16) Section 533.00285;
- 12 (17) Subchapters B and C, Chapter 533;
- 13 (18) Section 535.055(f);
- 14 (19) Section 535.108;
- 15 (20) Section 536.001(1);
- 16 (21) the heading to Section 536.002;
- 17 (22) Sections 536.002(a) and (c);
- 18 (23) Section 536.002(b), as amended by Article 1 of
- 19 this Act; and
- 20 (24) Section 536.007(b).

21 (c) The following provisions of the Health and Safety Code,
22 including provisions amended by S.B. 219, Acts of the 84th
23 Legislature, Regular Session, 2015, are repealed:

- 24 (1) Subchapter C, Chapter 32;
- 25 (2) Section 62.151(e);
- 26 (3) Section 62.1571(c);
- 27 (4) Section 81.010;

- (5) Section 92.011;
- (6) Subchapter B, Chapter 92; and
- (7) Chapter 115.

(d) Section 32.022(e), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, and Section 40.073, Human Resources Code, are repealed.

SECTION 2.38. On the effective date of this article, the following advisory committees are abolished:

(1) the advisory committee on Medicaid and child health plan program rate and expenditure disparities;

(2) the Advisory Committee on Qualifications for Health Care Translators and Interpreters;

(3) the Behavioral Health Integration Advisory Committee;

(4) the Consumer Direction Work Group;

(5) the Council on Children and Families;

(6) the Electronic Health Information Exchange System Advisory Committee;

(7) the Guardianship Advisory Board;

(8) the hospital payment advisory committee;

(9) the Interagency Coordinating Council for HIV and Hepatitis;

(10) the Medicaid and CHIP Quality-Based Payment Advisory Committee;

(11) each Medicaid managed care advisory committee appointed for a health care service region under Subchapter B, Chapter 533, Government Code;

(12) the Public Assistance Health Benefit Review and Design Committee;

(13) the renewing our communities account advisory committee;

(14) the STAR + PLUS Nursing Facility Advisory Committee;

(15) the STAR + PLUS Quality Council;

(16) the state Medicaid managed care advisory committee;

(17) the task force on domestic violence;

(18) the Interagency Task Force for Children With Special Needs;

(19) the telemedicine and telehealth advisory committee;

(20) the board of directors of the Texas Institute of Health Care Quality and Efficiency;

(21) the Texas Traumatic Brain Injury Advisory Council; and

(22) the volunteer advocate program advisory committee.

SECTION 2.39. (a) Not later than November 1, 2015, the executive commissioner of the Health and Human Services Commission shall publish in the Texas Register:

(1) a list of the new advisory committees established or to be established as a result of this article, including the advisory committees required under Section [531.012\(a\)](#), Government Code, as amended by this article; and

1 (2) a list that identifies the advisory committees
2 listed in Section 2.40 of this article:

3 (A) that will not be continued in any form; or

4 (B) whose functions will be assumed by a new
5 advisory committee established under Section 531.012(a),
6 Government Code, as amended by this article.

7 (b) The executive commissioner of the Health and Human
8 Services Commission shall ensure that an advisory committee
9 established under Section 531.012(a), Government Code, as amended
10 by this article, begins operations immediately on its establishment
11 to ensure ongoing public input and engagement.

12 (c) This section takes effect September 1, 2015.

13 SECTION 2.40. Except as otherwise provided by this article,
14 this article takes effect January 1, 2016.

15 ARTICLE 3. TRANSITION, FEDERAL AUTHORIZATION, AND GENERAL
16 EFFECTIVE DATE

17 SECTION 3.01. If an entity that is abolished by this Act has
18 property, records, or other assets, the Health and Human Services
19 Commission shall take custody of the entity's property, records, or
20 other assets.

21 SECTION 3.02. If before implementing any provision of this
22 Act a state agency determines that a waiver or authorization from a
23 federal agency is necessary for implementation of that provision,
24 the agency affected by the provision shall request the waiver or
25 authorization and may delay implementing that provision until the
26 waiver or authorization is granted.

27 SECTION 3.03. Except as otherwise provided by this Act,

1 this Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 277 passed the Senate on April 9, 2015, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 29, 2015, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 277 passed the House, with amendments, on May 26, 2015, by the following vote: Yeas 146, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor